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**The Champaign Telephone Company
and Subsidiaries**

Consolidated Financial Statements and Supplementary Information
December 31, 2014 and 2013
with Independent Accountants' Review Report



CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
The Champaign Telephone Company

We have reviewed the accompanying consolidated balance sheets of The Champaign Telephone Company and Subsidiaries of December 31, 2014 and 2013, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidated financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our reviews were made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included on the accompanying pages 13 through 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
April 17, 2015

14 east main street, suite 500
springfield, oh 45502

www.cshco.com
p. 937.399.2000
f. 937.399.5433

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The Champaign Telephone Company and Subsidiaries
Consolidated Balance Sheets
December 31, 2014 and 2013

Assets

	2014	2013
Current assets:		
Cash and cash equivalents	\$ [REDACTED]	[REDACTED]
Accounts receivable, less allowance of [REDACTED] in 2014 and [REDACTED] in 2013	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]
Prepaid income taxes	[REDACTED]	[REDACTED]
Prepaid expenses	[REDACTED]	[REDACTED]
Deferred income tax	[REDACTED]	[REDACTED]
Non-current assets:		
Investments	[REDACTED]	[REDACTED]
Property and equipment:		
Telecommunications plant in service	[REDACTED]	[REDACTED]
Less accumulated depreciation	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]

See independent accountants' review report.
See accompanying notes to the financial statements.

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The Champaign Telephone Company and Subsidiaries
Consolidated Balance Sheets (Continued)
December 31, 2014 and 2013

Liabilities and Shareholders' Equity

	2014	2013
Current liabilities:		
Notes payable, current portion	\$ [REDACTED]	[REDACTED]
Accounts payable	[REDACTED]	[REDACTED]
Accrued expenses	[REDACTED]	[REDACTED]
Dividends payable	[REDACTED]	[REDACTED]
Income tax payable	[REDACTED]	[REDACTED]
Non-current liabilities:		
Notes payable, long-term portion	[REDACTED]	[REDACTED]
Deferred revenue	[REDACTED]	[REDACTED]
Deferred income tax	[REDACTED]	[REDACTED]
Shareholders' equity:		
Common stock	[REDACTED]	[REDACTED]
Treasury stock	[REDACTED]	[REDACTED]
Retained earnings	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]

See independent accountants' review report.
See accompanying notes to the financial statements.

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The Champaign Telephone Company and Subsidiaries
Consolidated Statements of Income
Years Ended December 31, 2014 and 2013

	2014	2013
Revenues:		
Phone product	\$ [REDACTED]	[REDACTED]
Access and federal revenue	[REDACTED]	[REDACTED]
TV product	[REDACTED]	[REDACTED]
Internet product	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]
Operating costs:		
Costs of providing services	[REDACTED]	[REDACTED]
Corporate operations	[REDACTED]	[REDACTED]
Depreciation and amortization	[REDACTED]	[REDACTED]
Other operating taxes	[REDACTED]	[REDACTED]
Operating income	[REDACTED]	[REDACTED]
Other income (expense):		
Investment income	[REDACTED]	[REDACTED]
Loss on Fiber Farms settlement	[REDACTED]	[REDACTED]
Gain on sale of messaging center and non-compete agreement	[REDACTED]	[REDACTED]
Loss on disposal of assets	[REDACTED]	[REDACTED]
Interest expense	[REDACTED]	[REDACTED]
Income before taxes	[REDACTED]	[REDACTED]
Income taxes	[REDACTED]	[REDACTED]
Net income	\$ [REDACTED]	[REDACTED]

See independent accountants' review report.
See accompanying notes to the financial statements.

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The Champaign Telephone Company and Subsidiaries
Consolidated Statements of Shareholders' Equity
Years Ended December 31, 2014 and 2013

	Common Stock	Treasury Stock	Retained Earnings	Total
Balance, January 1, 2013				
Dividends paid				
Treasury stock purchase				
Net income				
Balance, December 31, 2013	\$			
Dividends paid				
Treasury stock purchase				
Net income				
Balance, December 31, 2014	\$			

See independent accountants' review report.
See accompanying notes to the financial statements.

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The Champaign Telephone Company and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Net income	\$ [REDACTED]	[REDACTED]
Adjustments used to reconcile net income to net cash provided by operating activities:		
Depreciation	[REDACTED]	[REDACTED]
Provision for doubtful accounts	[REDACTED]	[REDACTED]
Loss on disposal of assets	[REDACTED]	[REDACTED]
Loss on Fiber Farms settlement	[REDACTED]	[REDACTED]
Gain on sale of messaging center and non-compete	[REDACTED]	[REDACTED]
Change in deferred federal income taxes	[REDACTED]	[REDACTED]
Effects of change in operating assets and liabilities:		
Accounts receivable	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]
Prepaid expenses	[REDACTED]	[REDACTED]
Accounts payable	[REDACTED]	[REDACTED]
Accrued expenses	[REDACTED]	[REDACTED]
Dividends payable	[REDACTED]	[REDACTED]
Net cash provided by operating activities	[REDACTED]	[REDACTED]
Cash flows from investing activities:		
Proceeds from sale of messaging center and non-compete	[REDACTED]	[REDACTED]
Proceeds from redemption of investment	[REDACTED]	[REDACTED]
Purchase of property and equipment	[REDACTED]	[REDACTED]
Net cash used in investing activities	[REDACTED]	[REDACTED]
Cash flows from financing activities:		
Payments on note payable	[REDACTED]	[REDACTED]
Treasury stock purchase	[REDACTED]	[REDACTED]
Dividends paid	[REDACTED]	[REDACTED]
Net cash used in financing activities	[REDACTED]	[REDACTED]
Increase (decrease) in cash and cash equivalents	[REDACTED]	[REDACTED]
Cash and cash equivalents, beginning of year	[REDACTED]	[REDACTED]
Cash and cash equivalents, end of year	\$ [REDACTED]	[REDACTED]
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	\$ [REDACTED]	[REDACTED]
Income taxes	\$ [REDACTED]	[REDACTED]

See independent accountants' review report.
See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of operations

The Champaign Telephone Company is an independent telephone company that provides telecommunications services to individuals and businesses located in Champaign County, Ohio. The Company also provides access services to interexchange carriers who sell long distance telephone service to their subscribers.

CT Communications Inc. provides long-distance, Internet and other non-regulated services.

CT Communications Network, Inc., is a CLEC (Competitive Local Exchange Carrier). The Company provides telephone and internet service outside the Company's local exchange. It also provides video services by partnering with DirecTV, both inside and outside the Company's local exchange.

Principles of consolidation

The financial statements consolidate the accounts of The Champaign Telephone Company, CT Communications, Inc. and CT Communications Network, Inc. All significant intercompany accounts and transactions have been eliminated.

Significant accounting policies

The Company maintains its accounts in accordance with the Uniform System of Accounts prescribed for telephone companies by the Federal Communications Commission (FCC). The financial statements reflect the application of the significant accounting policies described in this note and have been prepared in conformity with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the accompanying combined financial statements, the Companies consider all highly liquid debt instruments with a maturity of one month or less, when acquired, to be cash equivalents. Cash equivalents consist primarily of money market accounts.

Accounts receivable

Accounts receivable from customers are carried at their billed amounts. Credit is generally extended on a short-term basis; thus receivables do not bear interest, although a late payment charge may be applied to receivables that are past due. Receivables are periodically evaluated for collectability based on the past credit history of the customer. Accounts deemed to be uncollectible by management are charged against the bad debt reserve and sent to collection. Provisions for losses are determined on the basis of known and inherent risk in accounts receivable.

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The Champaign Telephone Company and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
December 31, 2014 and 2013

Materials and supplies

Materials and supplies are stated at average cost.

Telephone plant and depreciation

Telecommunications plant is stated at the original cost of construction including capitalized payroll related expenses and an allowance for funds used during construction (AFUDC). No AFUDC was capitalized in 2014 and 2013. The original cost of depreciable property retired, together with removal cost less salvage realized is charged to accumulated depreciation. No gain or loss is recognized in connection with ordinary retirements of depreciable property. Maintenance, repairs, and minor renewals are expensed as incurred.

Depreciation on telecommunications plant for financial statement purposes is computed by the use of the straight-line method, which is estimated to allocate the cost of depreciable plant equally over its estimated service life. Lives used are those approved by the Public Utilities Commission of Ohio (PUCO).

Revenues

Local service revenues are derived from local telephone exchange service within Champaign and Logan counties. The rates at which the Company can charge a customer for this service are approved by the PUCO.

Compensation for interstate access services is received through tariffed access charges filed by NECA with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the Company to the interstate interexchange carriers, and pooled with like revenues from all NECA member companies. The portion of the pooled access charge revenue received by the Company is based upon its actual cost of providing interstate access service, plus a return on the investment dedicated to providing that service.

Compensation for intrastate access services is received through tariffed access charges filed with the PUCO. These access charges are billed to the intrastate long distance toll carriers and retained by the Company. The Company has also negotiated contracts for the provision of billing and collection services and received compensation for this service.

Directory revenues result from billings charged for yellow pages advertising and other directory listing charges. Internet charges are billed to customers based on a monthly service charge. All local and access revenues are recognized in the period in which they are earned regardless of the period in which they are billed.

Income taxes

The provision for income taxes includes the tax effects of transactions reported in the financial statements and consists of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The deferred tax asset / (liability) represents the future tax return benefits / (consequences) of these differences.

The Company's income tax filings are subject to audit by various taxing authorities. The Company's audit periods prior to 2011 have been closed. In evaluating the Company's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

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The Champaign Telephone Company and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
December 31, 2014 and 2013

Deferred taxes

Deferred taxes are provided on temporary differences arising from assets and liabilities whose basis are different for financial reporting and income tax purposes, primarily due to depreciable assets, bad debt reserves and postretirement benefits.

Investments

Investments carried at cost that are not readily marketable are valued at cost unless a significant known impairment exists at which time they are reduced to fair market value.

Concentration of risk

For investment purposes, the Companies have deposits on account with financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2014, the Companies cash balances were in excess of the FDIC insurance. The Companies have not experienced any losses on such accounts.

Reclassifications

Certain amounts in the December 31, 2013 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent events

The Companies evaluate events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through April 17, 2015, the date on which the financial statements were available to be issued.

2. ACCOUNTS RECEIVABLE:

The Company's business activity consists primarily of providing local telephone service to customers residing in Champaign County, Ohio and connecting various long distance telephone carriers to these customers. Net receivables from long distance carriers as of December 31, 2014 and 2013 were unsecured and totaled [REDACTED] and [REDACTED] respectively. The Company does not require collateral or other security from long distance carriers.

3. INVESTMENTS:

The Company holds CoBank patronage equity shares of [REDACTED] and [REDACTED] at December 31, 2014 and 2013, respectively. The investment is stated at cost and has not been tested for impairment. Complete liquidation of this investment is expected over the next five years.

4. SHAREHOLDERS' EQUITY:

Common stock has [REDACTED] shares authorized at a par value of [REDACTED] per share. At December 31, 2014 and 2013, [REDACTED] and [REDACTED] shares respectively, were issued and outstanding. In 2014, the Board passed a motion to repurchase [REDACTED] shares of stock whose accumulated value was [REDACTED]. At December 31, 2014 and 2013, [REDACTED] and [REDACTED] shares respectively, were in treasury.

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The Champaign Telephone Company and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
December 31, 2014 and 2013

The number of shares outstanding and historical book value, dividend, net income, and operating cash flow per outstanding common shares as of December 31 are as follows:

	2014	2013
Number of shares of common stock outstanding		
Book value - per share	\$	\$
Dividend - per share	\$	\$
Net income - per share	\$	\$
Operating cash flow - per share	\$	\$

5. PROPERTY AND EQUIPMENT:

The major classes of property are listed below:

Telecommunications plant:

	2014	2013
Land and buildings	\$	\$
Central office equipment		
Customer premise equipment		
Telephone distribution plant		
Furniture and office equipment		
General purpose computers		
Vehicles		
Other work equipment		
Internet equipment		
Message center equipment		
Total	\$	\$

6. LONG-TERM DEBT:

In 2010, the Company entered into a loan agreement with [REDACTED] to finance the buyback of company stock and close out a loan with [REDACTED]. The agreement established a loan of [REDACTED] at a [REDACTED] interest rate per annum. In February 2011 the Company started to repay the loan in equal monthly payments of [REDACTED] plus interest.

The loan was renewed on May 3, 2013 with a balance of [REDACTED] at an interest rate of [REDACTED] per annum. For [REDACTED] months beginning May 3, 2013, interest payments of [REDACTED] per annum on the outstanding principal balance were due. [REDACTED] monthly principal and interest payments of [REDACTED] each are due beginning on January 11, 2014. The balance of the loan was paid off during 2014.

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The Champaign Telephone Company and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
December 31, 2014 and 2013

The Company also has a secured line of credit with [REDACTED] for up to [REDACTED] which expires on December 5, 2015. The security agreement gives the Bank a security interest in all the Company's business assets. Currently nothing has been borrowed against this note. The interest rate charged on any funds that are borrowed would be the greater of [REDACTED] or the Prime Rate as reported by the Wall Street Journal.

During 2014 and 2013, interest expense on the note payable totaled [REDACTED] and [REDACTED] respectively.

7. INCOME TAXES:

The provision for income taxes consists of the following:

	2014		2013	
	Federal	State & local	Federal	State & local
Current	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Deferred	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

The Champaign Telephone Company and its subsidiaries file consolidated returns for federal income tax purposes.

The net deferred income tax liability at December 31, 2014 and 2013 consists of the following:

	2014	2013
Depreciation differences	[REDACTED]	[REDACTED]
Future municipal book to tax deduction	[REDACTED]	[REDACTED]
Other	[REDACTED]	[REDACTED]

The Company's net deferred tax asset and liability consists of:

	2014	2013
<u>Current</u>		
Deferred tax asset	\$ [REDACTED]	\$ [REDACTED]
<u>Non-Current</u>		
Deferred tax liabilities	[REDACTED]	[REDACTED]
Net deferred tax liability	\$ [REDACTED]	\$ [REDACTED]

See independent accountants' review report.

8. EMPLOYEE BENEFIT PLANS:

The Company sponsors a 401k plan (defined contribution plan) and corresponding profit sharing plan covering substantially all employees. The Company contributes [REDACTED] or every [REDACTED] deferred by a participant up to the first [REDACTED] of the employee's salary. Contribution expenses for the 401k plan in 2014 and 2013 were [REDACTED] and [REDACTED] respectively.

9. FIBER FARMS ENTITIES:

CT Communications, Inc. (a wholly owned subsidiary of Champaign Telephone Company, Inc.) owned a [REDACTED] interest in Fiber Farms, LLC, Logan County Fiber Farms, LLC (LCFF) and Fiber Farms WCO, LLC (WCO).

The Company's Fiber Farms investments were all accounted for using the equity method. Under the equity method of accounting the investment is carried at cost, adjusted for the Company's proportionate share of undistributed earnings or losses. Fiber Farms LLC is a sales and marketing firm that sells and markets fiber facilities. Logan County Fiber Farms, LLC (LCFF) was established to build a fiber optic ring around Bellefontaine, Ohio. Fiber Farms WCO, LLC (WCO) was established to construct a fiber line connecting the Bellefontaine and Columbus, Ohio fiber rings. CT Communications, Inc.'s equity investment in the various Fiber Farm entities was zero at December 31, 2012.

Effective December 31, 2013 CT Communications, Inc. reached a compromise settlement with the various Fiber Farm entities in which the Company had an ownership interest. As part of the settlement, CT Communications, Inc. relinquished all ownership interests in the Fiber Farm entities. The settlement also required CT Communications Network, Inc. to transfer certain fiber and cables with all underlying rights and property of its Bellefontaine assets to Logan County Fiber Farm, LLC.

The loss on the settlement totaled [REDACTED] which was recognized by the Company in 2013.

10. SALE OF MESSAGING CENTER:

On March 15, 2013 CT Communications, Inc. sold its message center answering service business. The gross selling price of the message center business totaled [REDACTED] and included amounts for customer accounts, goodwill, equipment and a 2 year non-compete agreement. CT Communications, Inc. was required to pay a [REDACTED] broker fee of [REDACTED] on the transaction. In 2013 the net gain recognized by the Company on the sale of the messaging center totaled [REDACTED]

11. SUBSEQUENT EVENTS:

In January and February of 2015 the Company, in accordance with the current stock buy-back policy, purchased 35,028 shares of common stock.

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The Champaign Telephone Company and Subsidiaries
Consolidating Balance Sheets
December 31, 2014

Assets

	The Champaign Telephone Company	CT Communications Inc.	CT Communications Network, Inc.	Eliminating Entries	Total
Current assets:					
Cash and cash equivalents	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accounts receivable, net	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intercompany receivables	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepaid income taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepaid expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred income tax	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-current assets:					
Investments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Property and equipment:					
Telecommunications plant in service	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Less accumulated depreciation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

See independent accountants' review report.

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The Champaign Telephone Company and Subsidiaries
Consolidating Balance Sheets (Continued)
December 31, 2014

Liabilities and Stockholders' Equity

	The Champaign Telephone Company	CT Communications Inc.	CT Communications Network, Inc.	Eliminating Entries	Total
Current liabilities:					
Accounts payable	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intercompany payables	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-current liabilities:					
Deferred income tax	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Stockholders' equity:					
Common stock	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Treasury stock	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Retained earnings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

See independent accountants' review report.

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The Champaign Telephone Company and Subsidiaries
Consolidating Statements of Income
Year Ended December 31, 2014

	The Champaign Telephone Company	CT Communications Inc.	CT Communications Network, Inc.	Eliminating Entries	Total
Revenues:					
Phone product	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Access and federal revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TV product	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Internet product	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating costs:					
Costs of providing services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Corporate operations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation and amortization	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other operating taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other income (expense):					
Investment income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss on disposal of assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Income before taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Income taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net income	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

See independent accountants' review report.

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The Champaign Telephone Company and Subsidiaries
Consolidating Balance Sheets
December 31, 2013

Assets

	The Champaign Telephone Company	CT Communications Inc.	CT Communications Network, Inc.	Eliminating Entries	Total
Current assets:					
Cash and cash equivalents	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accounts receivable, net	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intercompany receivables	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepaid expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred income tax	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-current assets:					
Investments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Property and equipment:					
Telecommunications plant in service	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Less accumulated depreciation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
\$	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

See independent accountants' review report.

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The Champaign Telephone Company and Subsidiaries
Consolidating Balance Sheets (Continued)
December 31, 2013

Liabilities and Stockholders' Equity

	The Champaign Telephone Company	CT Communications Inc.	CT Communications Network, Inc.	Eliminating Entries	Total
Current liabilities:					
Notes payable, current portion	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accounts payable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intercompany payables	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividends payable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Income tax payable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-current liabilities:					
Notes payable, long-term portion	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred income tax	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Stockholder's equity:					
Common stock	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Treasury stock	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Retained earnings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

See independent accountants' review report.

REDACTED - FOR PUBLIC INSPECTION

The Champaign Telephone Company and Subsidiaries
Consolidating Statements of Income
Year Ended December 31, 2013

	The Champaign Telephone Company	CT Communications Inc.	CT Communications Network, Inc.	Eliminating Entries	Total
Revenues:					
Phone product	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Access and federal revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TV product	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Internet product	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating costs:					
Costs of providing services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Corporate operations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation and amortization	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other operating taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other income (expense):					
Investment income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss on Fiber Farms settlement	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gain on sale of messaging center	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Income before taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Income taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net income	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

See independent accountants' review report.

Received & Inspected
JUN 29 2015
FCC Mail Room

REDACTED – FOR PUBLIC INSPECTION

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Five-Year Plan Progress Report

The Champaign Tel Co

SAC 300594

Year 2014 Federal Universal Service Receipts:

Interstate Common Line Support	\$	
Connect America Fund Support	\$	
High Cost Loop Support	\$	
Safety Net Additive Support	\$	
Safety Valve Loop Cost Adjustment	\$	
CAF-ICC	\$	
TOTAL	\$	

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:

	Actual 2014
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$
General support (Accts 6120-24)	\$
Central office (Accts 6210-6232)	\$
Cable and wire facilities (Accts 6410-41)	\$
Network operations (Accts 6530-35)	\$
Depreciation and amortization (Accts 6560-65)	\$
Customer Operations Expenses	
Customer services (Accts 6611-23)	\$
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$
General and administrative (Accts 6720-28)	\$
Total Years Supported Expenses, Before Return on Investment	\$
	\$
	\$
Additions/Capx	\$
Total Supported Expenditures, Before Return on Investment	\$

If one assumes that depreciation expense for past investment was used to improve service coverage and service capacity and all other expenses were used to improve service quality in 2014, then it is estimated that the following percentages applied to each of the following in 2014 and are expected to be reasonably comparable in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area have access to broadband at speeds of 5Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] universal service funding received in 2014 will be used to improve service coverage in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area have access to broadband at speeds of 5Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service capacity in 2015.

REDACTED - FOR PUBLIC INSPECTION

LOGAN COUNTY

MIAMI COUNTY

CLARK COUNTY

MIAMI COUNTY

